



**Special Committee on Business and Industry
Agenda Packet**

Governor
Arnold Schwarzenegger

Chair
Lawrence Gottlieb

Executive Director
Brian McMahon

**Tuesday
September 26, 2006
10:00 a.m.—12:30 p.m.**

**Department of General Services
Ziggurat Building, Executive Dining Room
707 Third Street
West Sacramento, CA**



**Special Committee on Business and Industry
MEETING NOTICE**



Lawrence Gotlieb
Chairman

Christine Essel
Vice Chair

**Department of General Services
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707 Third Street
West Sacramento, CA**

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AGENDA

- 1. Welcome and Opening Remarks**
 - **Jamil Dada, Chair**
- 2. Approval – June 14, 2006 Meeting Summary**
- 3. Discussion – Strategic Planning Session**
- 4. Action – Approval of Concept Paper for Regional Collaboration/Local Coordination Incentives for Business Services**
- 5. Public Comment**
- 6. Other Business that May Come Before the Committee**

Meeting conclusion time is an estimate; meeting may end earlier subject to completion of agenda items and/or approved motion to adjourn.

In order for the Special Committee to provide an opportunity for interested parties to speak at the public hearings, public comment may be limited. Written comments provided to the Special Committee must be made available to the public, in compliance with the Bagley-Keene Open Meeting Act, §11125.1, with copies available in sufficient supply.

Individuals who require accommodations for their disabilities (including interpreters and alternate formats) are requested to contact the California Workforce Investment Board staff at (916) 324-3425 at least ten days prior to the meeting. TTY line: (916) 324-6523. Please visit the California Workforce Investment Board website at <http://www.calwia.org> or contact Teresa Gonzales for additional information.

Welcome and Opening Remarks

- **Jamil Dada, Chair**

Action: Approval of June 14, 2006 Meeting Summary

**Business and Industry Special Committee
Meeting Summary
June 14, 2006**

Committee Members Present

Jamil Dada, Chair
Stewart Knox, Vice Chair
Charlie Brown
Frances Laskey

Edward Munoz
John Prentiss
Audrey Taylor
Willie Washington

Welcome and Opening Remarks

The Chair, Mr. Jamil Dada, thanked the Sacramento Employment and Training Agency for hosting the meeting. He introduced the newest Committee member, Audrey Taylor, President and Founder of Chabin Concepts. Ms. Taylor, who specializes in economic development and marketing solutions, presented her biography to the committee.

Mr. Dada provided an overview of the Agenda items, to include: approval of the March 8, 2006 meeting summary, approval of the Business Services Policy Framework; approval of the High Wage/High Growth Criteria; an update of the Joint Regional Forums; and an update of the work of the other Board's Special Committees.

Approval - March 8, 2006, Meeting Summary

The meeting summary, as recorded, was approved by all members.

Approval - Business Services Policy Framework

Mr. Dada invited State Board staff lead Teresa Gonzales to introduce to this item. Ms. Gonzales stated that in response to the results of the environmental scan which indicated inconsistencies in the One Stop's delivery of services to employers, the Committee directed staff to develop a policy framework to establish a consistent level of business services in the One-Stops. A Workgroup was convened, meetings were held, and a policy framework was developed for presentation to the Committee today. The policy framework will provide guidance to the Local Boards to establish and deliver quality and relevant business services through the One Stop System. Ms. Gonzales then asked State Board staff member Javier Romero to review the five components of the policy framework.

Mr. Romero explained the five components of the policy framework which are outlined below.

1. **Guiding Principles** – The guiding principles view workforce development as vital in economic development efforts, are focused on meeting the needs of local businesses, and seek to provide high quality and timely services consistently throughout California.

Ms. Taylor suggested that the principles include regional strategic planning with local partners.

2. **Business Services Definition** – The definition is intended to ensure that services support the success of local business and economic growth.
3. **Business Service Categories** – Categories identified by the workgroup include: recruitment and staffing services; training and development; information and resources; outplacement services such as Rapid Response and layoff transition services; and business retention services such as layoff aversion support.

Some of the comments from the committee include: Frances Laskey suggested that the services under each category be developed in consultation with business. Ms. Taylor suggested that “business retention” should be changed to “business outreach”. John Prentiss mentioned the Community Colleges need help with advertising what they can offer. Mr. Dada stated that to help business stay in business, more proactive coordination among Local Workforce Investment Boards is needed. Charles Brown suggested changing the word “retention” (as in business “retention”) to “revitalization”. He stated that more staff is needed in the field to meet with businesses and understand the resources in the local community.

4. **Business Services Criteria** - Three critical success areas were defined to guide Local Boards and their One Stop Centers in the development, implementation, and delivery of services. They include: business satisfaction, managing business services, and delivering quality business services.

Ms. Taylor suggested that we add brokering to the last criteria.

5. **Business Services Indicators** – The indicators need to be employer focused, efficient and effective to help define how well business services are provided.

Mr. Romero stated that the One-Stop Certification process being developed by the Accountability in Workforce Investments Committee will be the vehicle for implementing the Business Services Policy Framework. He also stated that the policy defines the roles of the State, Local Board, and One Stop Operators in delivering quality business services. Finally, he stated that to assist Local Areas develop, implement and administer quality business services, the workgroup recommends consideration for: implementing recognition or incentive awards; providing technical assistance and developing capacity building workshops; disseminating best practices information; and analyzing regional industry sectors.

The Committee unanimously approved the Business Services Policy Framework

Approval - High Wage/High Growth Criteria

Mr. Dada invited Ms. Gonzales to provide the background information regarding the High Wage/High Growth Criteria being presented for the Committee’s consideration.

Ms. Gonzales stated that in May 2004, the State Board approved criteria for the Governor's 15 Discretionary Funds, to include the development and support of projects that produce high wage, high skilled, stable jobs and provide the greatest opportunity for growth. She stated that staff has identified factors to consider in defining high wage, high growth industry sectors which, with the Committee's approval, will be included in the next Solicitation for Proposals for the Governor's 15% Discretionary Funds. Ms. Gonzales then invited State Board staff member Joelle Hurst to review the criteria.

Ms. Hurst stated that the purpose of this initiative is to develop criteria to focus funding on industries that will benefit a local economy as well as move the workforce into higher wage jobs. Partnerships between industries and the workforce development system to educate and train its employees are a critical component of the Governor's Discretionary funds. Staff researched various resources published by the Department of Labor, the Employment Development Department (EDD), the California Regional Economies Project (CREP) industry clusters of opportunity, the National Economic Development and Law Center's Living Wage Calculator, and the Occupational Employment Statistics Survey developed by EDD's Labor Market Information Division.

High Growth Criteria: The criteria for High Growth industries considers: the number of jobs in the industry in a local economy; new or emerging industries expected to grow; and the impact job growth will have on other industries:

High Wage Criteria: The high wage criteria at a minimum includes the wage, or average wage, that is at least equal to the median for the region. Other criteria would include bringing in employees to jobs paying higher than average salaries and benefits or providing upward mobility to employees who can potentially promote in the company and receive higher than average wages, salaries and benefits for the region. A critical component of the high wage, high growth criterion includes partnerships with both private and public entities.

Committee discussion included consideration for flexibility in entrepreneurship and how the criterion applies to the state as a whole. Additionally, John Prentiss commented that the Committee revisit the criteria after a year.

Update - Joint Regional Forums

Mr. Dada asked Ms. Gonzales to introduce this topic. He stated he had the opportunity to attend the third forum held in Riverside, which was very informative.

Ms. Gonzales stated that the Regional Forums are intended to bring together workforce and economic development professionals to increase collaboration. State Board staff developed the regional forums jointly with the California Workforce Association (CWA), the Employment Training Panel (ETP), the California Association for Local Economic Development, and the California Community Colleges Chancellor's Office (CCCCO) to provide an opportunity for networking and sharing of best practices that would result in establishing or strengthening interactions. Ms. Gonzales invited State Board staff Elsa Ruiz-Duran to provide an update regarding the Regional Forums conducted to date.

Ms. Ruiz-Duran stated three successful forums have been delivered to date, in the Central Valley, Northern California, and in the Inland Empire. The forum agenda includes a:

- Presentation by Committee Member Audrey Taylor that emphasized the need to increase the level of California's workforce competency, flexibility in our programs and in the delivery of services to ensure employers get what they need to remain competitive globally, as continuous changes occur in technology, the economy, and demographics. Following this presentation, attendees engaged in roundtable discussions to share ideas of what works locally and what challenges they face.
- Presentation by an Employment Training Panel representative who explained how their application process is now streamlined and flexible.
- Local Showcase of best practices, resources, and information others can take back and apply.
- Presentation by the Community Colleges and how they work together with workforce and economic development organizations to support their community's needs for tailored training.

At the end of each forum attendees provided feedback that was valuable in helping modify each subsequent forum to meet attendees' expectations to include more time for networking. Five more forums will be delivered by December 2006.

Update – Briefing on Work of Special Committees

Mr. Dada stated that the Business & Industry is one of four Special Committees of the Board. Every committee's efforts focus on work that supports the Board's Strategic Plan. He invited the State Board staff leads of the other three Special Committees to provide an update of their work, beginning with Daniel Patterson from the Targeting Resources Special Committee.

Mr. Patterson stated that the Committee's focus is on targeting resources where they can have the greatest economic impact for special workforce populations in the State. Activities intend to help advance workers with barriers to employment, invest in vital industries with statewide labor shortages, improve State and local economic and labor market data, and target limited resources where they can have the greatest economic impact.

The Secretary of the Labor and Workforce Development Agency has made available approximately \$1.5 million from the Governor's WIA 15 Percent Discretionary funds to target employed minimum wage workers in three industries (leisure and hospitality; wholesale and retail; educational and health services). A staff workgroup that includes local partners are in the process of developing language for a Solicitation for Proposals (SFP), followed by the application review and award process which will be managed by the EDD.

The Committee's short term goals include: to increase responsiveness to Local Areas' need for labor market information data; to require coordinated strategic planning and Local Board

coordination in the 15% SFP; to develop policy recommendations that support partnerships between One Stops, Social Services and EDD staff; to increase financial support from industry or other means for the One Stops and the Workforce Investment Boards.

Finally, the Committee is developing a proposal to promote collaborative workforce strategies to address employment shortages in the goods movement and logistics supply industry sector.

Mr. Dada thanked Mr. Patterson and introduced State Board staff David Militzer and John Bohart representing the Lifelong Learning Special Committee.

Mr. Militzer and Mr. Bohart stated that the Committee focuses on collaborative activities that will help to improve California's educational system, by providing current and future workers with lifelong learning opportunities that are aligned with the economy. Committee efforts focus on improving career technical and vocational education; Workforce Investment Act (WIA) Youth services, focusing on those most in need; and addressing literacy needs.

Partnerships include staff from EDD, the California Department of Education (CDE), the California Community Colleges Chancellor's Office (CCCCO); other collaborative relationships are established with the U.S. Department of Labor (DOL), the office of the California Secretary of Education, and the Department of Corrections.

The Committee and its staff assisted the California Community Colleges Chancellor's Office in developing the concept for a workforce/education pilot program called Career Advancement Academies. The Chancellor's Office will solicit proposals to fund three to ten pilot Academies to provide remedial and skills training for community college credit for underemployed, undereducated, at-risk youth and young adults.

The pilots will be formed through partnerships between local community colleges, Local Workforce Investment Boards, business and industry, organized labor, and community based organizations, and will be funded with state career technical education money and other State and local, public and private leveraged resources. The training and course work offered will be demand driven and address the skills needs of local business and industry, particularly for high-wage, high-growth jobs. Successful pilots over a two-year period may then be expanded to serve the entire state.

The Committee's strategic plan focuses on two areas: to develop a "tool box" to develop community based lifelong learning programs in coordination with the Targeting Resources Committee for demand-driven workforce and education programs; and to assume a leadership role on the State Youth Vision Team, a U.S. Department of Labor supported group of State-level partners intended to implement a federal vision for serving youth most in need.

Mr. Dada thanked Mr. Militzer and Mr. Bohart and introduced State Board staff Ray York, representing the Accountability in Workforce Investments Special Committee.

Mr. York stated that the Committee is charged with exploring ways to improve state and local coordination between partner agencies and programs and to help to better integrate services in

California's workforce system. The Committee works collaboratively with the California Chamber of Commerce, the ETP, CDE-Adult Education, California Department of Rehabilitation, and the CWA.

The Committee's One-Stop Certification Workgroup comprised of stakeholders from state and local government agencies and Executive Directors of local Workforce Investment Boards developed a resource guide for local certification of One-Stop Centers. The Committee is also overseeing a Cost Study of the One Stop Career Center System and is in the process of completing its first pilot case study. A Steering Committee was formed to analyze local data, including costs of service delivery, and provide feedback on processes and products.

The Capacity Building and Technical Assistance Workgroup comprised of State Board staff, CWA and EDD staff will explore state capacity building and technical assistance resources. The CWA is concerned that Local Boards have had less influence in how capacity building and technical assistance are provided under WIA than they did under the JTPA, and that some of the current efforts could be more beneficial if modified. The Workgroup intends to identify opportunities to better serve Local Board's needs.

Mr. Dada thanked Mr. York for his report and offered the public an opportunity for comment.

Public Comments:

There were no comments from the public.

Next Meeting

The next meeting will be held in Sacramento. Staff will poll members on potential dates in September.

Discussion: Strategic Planning Session

Business and Industry Special Committee Strategic Planning Session

TOPIC	FOCUS AREAS
Relationships with Business	<p>Explore ways to obtain more input from the private sector in planning and developing strategies to meet their training needs.</p> <p><u>Suggested Strategies:</u></p> <ol style="list-style-type: none"> 1. Consider identifying general trends in high wage high growth industries, adopting the top industries with the greatest need and planning forums around the state with those businesses/industries informing the state how it can help. 2. Conduct research on actual differences in service utilization by large and small businesses and develop strategies for serving the unmet needs of business.
Economic Development Linkages	<p>Continue to forge linkages with economic development agencies at the state and local levels</p> <p><u>Suggested Strategies:</u></p> <ol style="list-style-type: none"> 1. Develop a state level memorandum of understanding that identifies other economic development resources such as community development block grant funding and federal funding available through the Economic Development Administration and the U. S. Department of Agriculture. 2. Develop a strategy for the state of California around emerging industries and their future workforce needs. Much like a comprehensive economic development strategy for the state of California, identify barriers that prevent employers from growing, and how the State can broker a better alignment state resources. 3. Compile a list of all the Local Board's working on infrastructure needs in terms of economic development and how that is aligned with the workforce needs. What are Local Board's doing that is effective and how can the State Board assist.
Marketing	<p>Explore State marketing of the One-Stop system so that it can be better identified by employers. This strategy should consider alignment of the workforce system with the California Association for Local Economic Development and the California Workforce Association around business services.</p> <p><u>Suggested Strategies:</u></p> <ol style="list-style-type: none"> 1. Explore various outreach methods to businesses. Consider channels outside of current practices/partnerships, since businesses, especially small businesses, tend to learn about and have more faith in information received from peer and trade networks than from government.
Best Practices	<p>Explore how best practices can be identified and shared among the workforce community.</p> <p><u>Suggested Strategies:</u></p> <ol style="list-style-type: none"> 1. Identify categories for best practices. 2. Explore various data collection mechanisms such as a survey, site visit and maybe even outsourcing. 3. Identify how information can best be disseminated. For example, through electronic communication, a technical assistance guide, conferences and or training, newsletters, etc.

**Action – Approval of Concept Paper for Regional
Collaboration/Local Coordination Incentives for
Business Services**

2006-2007 Regional Collaboration/Local Coordination Incentive Awards Concept Paper

Recommended Action

Staff recommends that the Business and Industry Special Committee (Committee) approve the Regional Collaboration/Local Coordination (RC/LC) Incentive Award Concept Paper as the basis for developing the award application Directive.

Background

The Workforce Investment Act (WIA) Section 134(a)(2)(B)(iii) requires that states provide incentive awards to Local Areas in the following two categories:

- 1) For regional cooperation among local boards or local coordination of WIA activities, and
- 2) For exemplary performance by Local Areas in meeting performance goals based on policy established by the State Board.

This concept paper describes the proposed State Board's RC/LC award application and eligibility criteria based on the Business Services Policy Framework (Framework) developed by the Committee and adopted by the State Board.

In June 2001 the State Board adopted criteria for awarding incentive grants that addressed the funding amounts; however the policy did not specifically define eligibility criteria for the RC/LC incentive awards. The Committee has recommended that the State Board's adopted Framework be used for this year's distribution of RC/LC incentive funding as eligibility criteria for the awards. Doing so will provide the State Board the opportunity to implement a policy that defines expectations for the delivery of quality business services through strategic partnerships between local workforce and economic development organizations. It will also serve as the basis for rewarding Local Boards' performance in coordinating these activities at the local or regional level.

Proposed Eligibility Criteria

The 50 Local Boards in California are eligible to apply for the RC/LC incentive awards. The RC/LC incentives would be awarded to applicants that describe planned activities in support of the Framework, which defines business services as follows:

Business services are the services that ensure the success of local business and economic growth. A business service strategy includes listening to the business, identifying solutions and brokering services to ensure the success of local businesses and economic growth.

Selection and Scoring Process

All RC/LC incentive award applications will be reviewed and scored by a panel comprised of EDD and State Board staff, which will ensure that required documentation and WIA compliance requirements are met. Complete applications will be scored according to the evidence provided in support of the award criteria. Regional cooperation projects will receive priority over local coordination projects.

Scoring will be based on meeting the following criteria:

1. Partnerships: the extent to which workforce and economic development and other community partners are engaged in the delivery of business services.
2. Meeting business needs: the extent to which business and industry are engaged in identifying employer needs and developing strategies to meet those needs.
3. System design: the extent to which staff is focused and knowledgeable of the industries and businesses in the local or regional economies.
4. Seamless delivery system: the extent to which services offered are coordinated or integrated among partners.
5. Clearly defined products and activities: the extent to which services are customized to meet business' needs.
6. Clearly defined indicators: the extent to which business service indicators measure customer satisfaction, efficiency and effectiveness, and have defined expected outcomes.

Award Allocation

Total funding available for the RC/LC incentive awards is \$420,000.

Public Comment

Other Business